Five billion dollar fund for infrastructure development projects

953. PROF. ALKA BALRAM KSHATRIYA:
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Indo-US forum has offered to set up a $5 billion fund for infrastructure development projects in India provided it is run with minimum Government participation;

(b) if so, whether Government have already received the proposal for structure of the fund;

(c) if so, whether the agreement to device a mechanism to set up the fund was discussed;

(d) if so, whether the modalities of the fund have been decided; and

(e) if so, the details of the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Indo-US Forum had recommended the setting up of a $5 billion fund for infrastructure development in India. Infrastructure Development Finance Company Limited (IDFC), Citigroup Inc. (Citi), India Infrastructure Finance Company Limited (IIFCL) and Blackstone Group Holdings L.P. (together with its affiliates, (Blackstone) have launched such a fund.

(b) to (e) The structure of the fund has been spelt out and the modalities to set up the fund have been decided by the promoters. The plan is to deploy about US$ 2 billion in equity capital and US$ 3 billion in long term debt financing with maturities exceeding ten years. The equity fund of USD 2 billion would be raised in 2 tranches of USD 1 billion each, one after the other. IDFC, Citi and Blackstone will together invest US$ 250 million. The IIFCL will invest a small portion. The balance is expected to come from reputable international investors as well as selected domestic institutional investors. The second equity fund of USD 1 billion would be raised subsequenty. The equity financing program of US $ 3 billion will be manager by IDFC and will be invested in greenfield, brownfield and operating projects primarily in roads, power, airports, ports, and industrial and commercial infrastructure.

Tax holiday to Himachal Pradesh

954. SHRI NARESH GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that since 2002 the Central Government have extended tax holiday to the States of Himachal Pradesh, Uttarakhand and Jammu and Kashmir;

(b) what is the quantum of fresh investments that have been made in industrial projects in these States and the number of jobs that have been created in these industrial units; and

(c) how much fresh investment made in the neighbouring State of Punjab since 2002, and the number of jobs created in these units since then?